

EXHIBIT 16

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 - - -

5
6 IN RE: NATIONAL : HON. DAN A.
7 PRESCRIPTION OPIATE : POLSTER
8 LITIGATION : :
9 :
10 APPLIES TO ALL CASES : NO.
11 : 1:17-MD-2804
12 :
13

14 - HIGHLY CONFIDENTIAL -

15 SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

16 - - -

17 February 15, 2019

18 - - -

19 Videotaped deposition of
20 GEORGE STEVENSON, taken pursuant to
21 notice, was held at the offices of
22 McCarter & English, LLP, 1600 Market
23 Street, Philadelphia, Pennsylvania,
24 beginning at 9:11 a.m., on the above
 date, before Michelle L. Gray, a
 Registered Professional Reporter,
 Certified Shorthand Reporter, Certified
 Realtime Reporter, and Notary Public.

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25 GOLKOW LITIGATION SERVICES
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1 MS. VANNI: Object to form.

2 THE WITNESS: I don't know

3 if I would use the word hedging.

4 It's -- it's participating, it's

5 offsetting.

6 BY MS. SCULLION:

7 Q. Fair enough. Okay. So it
8 wouldn't -- it wouldn't have as much of a
9 decline in its overall sales of an
10 oxycodone APAP product, because some
11 would now be Endocet instead of Percocet?

12 A. Right.

13 Q. Okay. And you explained
14 that there were other generic versions of
15 Percocet on the market at the same time
16 as Endocet. Was there any advantage to
17 Endo in having the trademarked name
18 Endocet for its generic version?

19 A. No, none at all. That was
20 done before I got there.

21 Q. Okay. And so in terms of
22 competing with the other generic versions
23 of Percocet that were on the market, how
24 did Endo compete?

1 MS. VANNI: Object to form.

2 THE WITNESS: How --

3 BY MS. SCULLION:

4 Q. Sorry. How did Endocet --
5 how did Endocet compete with the other
6 generic versions on the market?

7 MS. VANNI: Object to the
8 form.

9 THE WITNESS: What do you
10 mean by how -- compete? How do
11 you mean? I'm sorry, I don't
12 understand.

13 BY MS. SCULLION:

14 Q. Sure. That's okay. I think
15 you explained earlier that there -- the
16 national account executives interacted
17 with the wholesalers or the trade to get
18 the product stocked. Did Endo -- did
19 Endo's national account executives
20 effectively compete with national account
21 executives from other manufacturers to
22 get Endocet stocked as the generic
23 version of Percocet instead of one of the
24 others?

1 A. I think we're mixing the
2 brand business and the generic business.
3 The brand business focused on stocking.
4 That's all they do.

5 Q. Got it.

6 A. They have nothing to do with
7 price. They have nothing to do with
8 anything but stocking, period. That's
9 why 9 -- maybe that's 5, 8 percent of
10 their time is involved with the brand on
11 stocking.

12 Once the brand is stocked,
13 basically it's just maintenance. Okay.
14 On the generic side it's more
15 complicated. So I think to answer your
16 question, how we competed was we had to
17 have a competitive price. We had to
18 supply, do all the -- you know, the -- do
19 all the necessary customer service things
20 from supply, interaction with the
21 account. And that's what the national
22 account executives would do.

23 Normally in the big
24 accounts, it also took -- I was involved

1 more in the generic side because I had in
2 many cases, if not all cases, a personal
3 relationship with these folks going back
4 from my, already by that time, many years
5 of experience in the generic business.
6 Now, most of them had -- hadn't changed.
7 And so Endo was perceived when I got
8 there as a smaller generic company,
9 basically a little niche player focused
10 in at that time in -- mostly in control
11 drugs. Over time we tried to change that
12 before I left where we tried to expand
13 the vision for Endo and get involved in
14 other non-opioid drugs. But at the time,
15 that was how Endo was perceived, and we
16 were able to compete because we supplied
17 product. We had good customer service.
18 We interacted well with -- with the
19 customer. We were responsive. All those
20 things that you need to do to get
21 business in the generic market.

22 Q. Okay.

23 A. We were open and
24 transparent. We didn't play games.

1 These things may not sound important.
2 But to a large account, they are very
3 important.

4 Q. And I'm trying to ask the
5 question I was asking a little more
6 clearly I hope.

7 A wholesaler like McKesson,
8 would it be distributing more than one
9 generic version of Percocet or it would
10 just choose one?

11 A. Well, McKesson -- any
12 wholesaler is going to carry multiple
13 labels. What's in -- what they are
14 carrying in -- in their DCs is normally
15 in response to the contracts that are
16 loaded for that product for a respective
17 account.

18 So there's -- you know,
19 we -- on the opioid market, you had -- we
20 had customers who we shipped to,
21 DA-approved facilities --

22 Q. DEA?

23 A. Yeah, they're all -- you
24 can't --

1 Q. I just --

2 A. I'm sorry, DEA-approved
3 facilities, licensed facilities. And
4 then we also went to the customer's
5 customer, which were the chains and
6 customers that did not have a vault.

7 So in the case -- in the
8 case of McKesson, they -- I have no idea
9 how many labels they carried of the same
10 product, but we were not the only label
11 they carried in the warehouse. Might
12 have been great if they had been, but
13 that's not the way they work. Not -- or
14 in fairness, for the record, neither does
15 Cardinal or AmerisourceBergen.

16 Q. Okay. What determined
17 ultimately whether a prescription for
18 oxycodone APAP got filled with -- if it
19 got filled with a generic, whether it got
20 filled with Endocet versus another
21 generic version? That's what I'm trying
22 to understand.

23 How -- how is it determined
24 what pill actually went to the patient?

1 vault, they then have a designated,
2 what's called -- the official name is
3 prime vendor or wholesaler that they have
4 a contract loaded with to supply that
5 particular pharmacy.

6 So, then that wholesaler has
7 those products in the DC, and they ship
8 the product to the chain or to the
9 pharmacy direct.

10 Q. Can we -- let's -- let's
11 stick with CVS, okay. So if CVS, if a
12 CVS pharmacy was going to fill a
13 prescription with a generic version of
14 Percocet.

15 A. Yes.

16 Q. Would that -- would the CVS
17 pharmacy have only one generic version of
18 Percocet on hand to -- to fill that
19 prescription?

20 MS. VANNI: Object to form.

21 THE WITNESS: Yes.

22 BY MS. SCULLION:

23 Q. Okay. How -- how was it
24 determined which of the various generic

1 versions CVS was using?

2 Did Endo have a relationship
3 with CVS that said you're going to use
4 Endocet, for example?

5 A. Well, we never say we're
6 going to use it. We are honored to have
7 their business if we were fortunate to
8 get their business.

9 Q. Understood. Okay. Fine.
10 But would there be exclusive -- you'd be
11 the exclusive supplier?

12 A. At the time. Now they're --
13 they don't do exclusive anymore, because
14 they are so big. But at the time you
15 were exclusive, yes.

16 Q. Okay. And did Endo compete
17 with other generic manufacturers of these
18 oxycodone APAP drugs, compete to get the
19 exclusives with different chains?

20 MS. VANNI: Object to form.

21 THE WITNESS: Yes.

22 BY MS. SCULLION:

23 Q. How, and what was the
24 competing based on for that contract?

1 A. What I testified a moment
2 ago, it was based on, you have to have a
3 competitive price, how you did business,
4 all the customer service, all that, okay.

5 Q. Okay. And so the price that
6 CVS was paying was determined based on
7 the contract between Endo and CVS; is
8 that right?

9 A. Yeah, I don't know that I
10 would call it a contract. But yes, it
11 was -- it was an agreement on the price.

12 Q. Okay. A price agreement.
13 Fair enough?

14 A. Yeah, among other things.
15 There might have been also involved --
16 well, in the case of opioids it wouldn't
17 be effective because they didn't buy
18 direct. But under a non-opioid, it would
19 also involve cash terms or prompt payment
20 terms and things like that. So there
21 might have been other, you know, things
22 like that that might have been involved.

23 If there was a rebate
24 associated with it, what was the rebate

1 at the time. Things like that. It
2 wasn't just about price. You don't want
3 to just compete on price.

4 Q. Okay. Understood. Okay.

5 MS. SCULLION: I apologize.

6 Can I have Tab 49?

7 BY MS. SCULLION:

8 Q. So we were talking about
9 the -- sorry about that -- the opioid
10 products that Endo was selling when you
11 joined. We talked about Percocet,
12 Endocet --

13 A. You know, what -- oh, in
14 Endo as a whole or the generic division?

15 Q. Endo as a whole. Endo as a
16 whole. I mean, you were familiar with
17 Endo was selling Percocet at the time
18 that it was selling Endocet, right?

19 A. Yes. I was familiar with
20 it.

21 (Document marked for
22 identification as Exhibit
23 Endo-Stevenson-7.)

24 BY MS. SCULLION: